

Sec. 43.60.010. Alcoholic beverage tax.

(a) Except as provided in (c) of this section, every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic beverages in the state or who consigns shipments of alcoholic beverages into the state, whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

- (1) malt beverages at the rate of \$1.07 a gallon or fraction of a gallon;
- (2) cider with at least 0.5 percent alcohol by volume but not more than seven percent alcohol by volume, at the rate of \$1.07 a gallon or fraction of a gallon;
- (3) wine or other beverages, other than beverages described in (1) or (2) of this subsection, of 21 percent alcohol by volume or less, at the rate of \$2.50 a gallon or fraction of a gallon; and
- (4) other beverages having a content of more than 21 percent alcohol by volume at the rate of \$12.80 a gallon.

(b) *[Repealed, Sec. 3 ch 235 SLA 1976].*

(c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2001, for beer produced in the United States if the producing brewery meets the qualifications of 26 U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must file with the department a copy of a Bureau of Alcohol, Tobacco and Firearms acknowledged copy of the brewer's notice of intent to pay reduced rate of tax required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins for which the partial exemption is sought. If proof of eligibility is not received by the department before June 1, the tax rate under this subsection does not apply until the first day of the second month after the month the notice is received by the department. For purposes of applying this subsection, a barrel of beer may contain no more than 31 gallons.

☒ Sec. 43.60.011. Consigned beverage inventories.

The tax imposed in [AS 43.60.010](#) may not be levied on consigned shipments of alcoholic beverages into the state if the consignments are to state licensed bonded warehouses in this state until the alcoholic beverage is removed from the warehouse for sale or consignment to retailers.

☒ Sec. 43.60.020. Monthly statement and payments.

(a) Each brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other consignor shall send a statement by airmail, postage prepaid, to the department on or before the last day of each calendar month. The statement must contain an account of the alcoholic beverages sold or consigned to buyers or consignees in the state during the preceding month, setting out

- (1) the total number of gallons, including fractional gallons sold or consigned;
- (2) the names and Alaska address of each buyer and consignee; and
- (3) the gallonage of each kind of beverage sold or consigned to the respective buyers or consignees.

(b) The brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other consignor shall pay monthly to the department, all taxes, computed at the rates prescribed in this chapter, on the respective total quantities of the classes of beverage sold or consigned during the preceding month. The monthly return shall be filed and the tax paid on or before the last day of each month to cover the preceding month.

(c) *[Repealed, Sec. 1 ch 72 SLA 1971].*

(d) *[Repealed, Sec. 1 ch 72 SLA 1971].*

(e) *[Repealed, Sec. 1 ch 72 SLA 1971].*

✚ *Sec. 43.60.030. Delinquency. [Repealed, Sec. 3 ch 166 SLA 1976. For civil penalty, see [AS 43.05.220](#)].*

Repealed or Renumbered

✚ *Sec. 43.60.040. Administration and enforcement of tax.*

(a) Each brewer, distiller, bottler, jobber, wholesaler, or manufacturer is primarily liable for the payment of the excise taxes on alcoholic beverages sold, and shall furnish a good and sufficient surety bond of \$25,000 payable to the department and approved by the Department of Law. If a wholesaler fails to pay the tax to the state the wholesaler forfeits the bond and the wholesaler's license shall be revoked. The department, in its discretion, may issue permits in place of bonds to resident holders of wholesale, malt beverage, and wine licenses doing business wholly in the state who pay the tax before shipment.

(b) Upon receipt of the bond and its subsequent approval, the department shall issue a license certificate authorizing the brewer, distiller, bottler, jobber, wholesaler, or manufacturer, liable for the payment of the tax, to sell alcoholic beverages in the state or to consign shipments of alcoholic beverages to the state. It is unlawful for a brewer, distiller, bottler, jobber, wholesaler, or manufacturer to sell alcoholic beverages in the state or to consign shipments of alcoholic beverages into the state without first furnishing the required bond and obtaining the license certificate or permit from the department. The license certificate does not constitute permission to sell alcoholic beverages in the state or to consign them to the state without having complied with other requirements of state or federal law.

(c) The retailer or buyer is secondarily liable for the taxes on alcoholic beverages that are sold to the retailer or buyer. The state has a lien upon the beverages, and may seize, confiscate,

and sell them to satisfy the payment of the taxes and the costs of the proceedings, without regard to where or in whose possession the beverages are found. If the beverages are not found or not identifiable, the state may seize, confiscate, and sell an equal quantity of the same kind of beverage found in the possession of the retailer or other buyer to whom the beverages on which the taxes were not paid were sold.

(d) *[Repealed, Sec. 46 ch 113 SLA 1980].*

(e) *[Repealed, Sec. 46 ch 113 SLA 1980].*

(f) *[Repealed, Sec. 46 ch 113 SLA 1980].*

(g) A license issued under this section must include

(1) the name and address of the licensee;

(2) the nature or type of alcoholic beverage business to be conducted; and

(3) the year for which the license is issued.

(h) In this section "person" includes an officer, agent, or employee of a corporation or a member, agent, or employee of a partnership, who, as officer, agent, employee, or member, is under duty to perform the act in respect to which the violation occurs.

✚ Sec. 43.60.050. Disposition of proceeds; alcohol and other drug abuse treatment and prevention fund.

(a) The alcohol and other drug abuse treatment and prevention fund is established in the general fund. The Department of Administration shall separately account for 50 percent of the tax collected under [AS 43.60.010](#) and deposit it into the alcohol and other drug abuse treatment and prevention fund.

(b) The legislature may use the annual estimated balance in the fund to make appropriations to the Department of Health and Social Services to establish and maintain programs for the prevention and treatment of alcoholism, drug abuse, and misuse of hazardous volatile materials and substances by inhalant abusers under [AS 47.37.030](#).

(c) Nothing in this section creates a dedicated fund.

15 AAC 60.010. Filing requirements

(a) Every brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other seller or consignor of alcoholic beverages in the state shall file a monthly return to the department showing all sales or consignments of alcoholic beverages in or into the state made during the preceding month. The return and any tax remittance under [AS 43.60.010](#) must be received by the department before the end of the month following the month the alcoholic beverage was sold or consigned.

(b) The return must be on a form provided by the department and in addition to the information required by [AS 43.60.020](#) must include, for each judicial district in the state, the total quantities of alcoholic beverages sold, consigned, or shipped in the state

(1) from outside the state to any location in Alaska, including

(A) retail establishments;

(B) warehouse establishments;

(C) military establishments; and

(D) licensed warehouses as defined in 15 AAC [60.050](#); and

(2) from licensed warehouses in the state.

(c) Each return must be accompanied by an inventory report on a form provided by the department, showing the quantities of alcoholic beverages

(1) on hand at the first of the month;

(2) received at the warehouse during the month;

(3) shipped from the warehouse during the month;

(4) lost due to breakage during the month; and

(5) on hand at the end of the month.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.60.010](#)

[AS 43.60.020](#)

15 AAC 60.050. Licensed warehouses

(a) In [AS 43.60.011](#) and 15 AAC [60.](#) "licensed warehouse" means an alcoholic beverage warehouse that is

(1) bonded for the amount of tax that will be due the state on its contents once they are removed; and

(2) licensed by the department under 15 AAC [60.050](#) - 15 AAC [60.120](#).

(b) No one may operate or advertise an alcoholic beverage warehouse as a licensed warehouse unless the warehouse is bonded and licensed under 15 AAC [60](#).

(c) An alcoholic beverage shipped to a licensed warehouse in the state is not subject to the tax imposed by [AS 43.60](#) until it is removed from the licensed warehouse.

(d) No alcoholic beverage may be stored in any location in the state other than a licensed warehouse unless the tax imposed by [AS 43.60](#) has been paid.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.60.011](#)

15 AAC 60.060. Application for warehouse license

(a) The owner or operator of a warehouse may apply for a license to operate a licensed warehouse at any time. However, all warehouse licenses expire on June 30 of each year.

(b) An application for renewal of a warehouse license must be filed no later than May 31 of each year. Failure to file a timely renewal application will result in automatic expiration of the license under 15 AAC [60.090\(b\)](#) (5).

(c) If an operator of a warehouse is not the owner of the warehouse, the owner and operator shall apply jointly for a license to establish the warehouse as a licensed warehouse.

(d) An application for issuance or renewal of a warehouse license must be on a form provided by the department and must include the following information:

(1) location and address of the warehouse;

(2) a complete list of personnel who may authorize immediate inspection and inventory of the alcoholic beverages stored in the licensed warehouse by department representatives; or

(3) a list of the names and business addresses of the owners of alcoholic beverages which are stored or expected to be stored in the licensed warehouse during the license period.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.60.011](#)

15 AAC 60.070. Conditions of warehouse license

(a) A warehouse licensee must

(1) agree to pay all taxes imposed by [AS 43.60](#) on alcoholic beverages removed from the licensed warehouse which are not collected, for any reason, from the owners of the alcoholic beverages;

(2) post a bond that guarantees payment of the alcoholic beverage excise taxes on the alcoholic beverages to be stored in the licensed warehouse in compliance with 15 AAC [60.080](#); and

(3) file the reports and returns required by 15 AAC [60.010](#).

(b) A person with the authority to allow immediate inspection and inventory of the alcoholic beverages in the licensed warehouse by department representatives shall be available at all times during the operation of a licensed warehouse.

(c) Within 10 business days after any change in the information required by 15 AAC [60.060\(d\)](#), a licensee shall file a statement with the department reporting the change.

(d) At all times during the operation of a licensed warehouse, the books, records, and federal excise tax returns of the licensee must be available for audit or inspection by department representatives for the purpose of verifying the validity of the reported inventories and tax liabilities under [AS 43.60](#) and 15 AAC [60](#).

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.010](#)

[AS 43.05.040](#)

[AS 43.05.080](#)

[AS 43.60.011](#)

15 AAC 60.080. Warehouse bonds

(a) An applicant for a warehouse license shall post a bond in an amount sufficient to guarantee payment of the alcoholic beverage excise tax on the alcoholic beverages to be stored in the licensed warehouse, as defined in (c) of this section. The bond may be in the form of a surety bond and made payable to the department, cash deposited with the department, or a letter of credit from a bank.

(b) In lieu of the bond required in (a) of this section, the applicant may file an affidavit with the license application described in 15 AAC [60.060](#), stating that the applicant owns real property in the state equal in value to at least twice the amount of alcoholic beverage excise tax on the alcoholic beverages to be stored in the warehouse, as defined in (c) of this section, on which the alcoholic beverage excise taxes may become a first lien. The affidavit must include a description of the property and an appraisal of the fair market value of the applicant's interest in the property.

(c) The alcoholic beverage excise tax on the alcoholic beverages to be stored in the licensed warehouse is the amount of tax that would be payable on the anticipated maximum quantity of inventory to be held in the warehouse at any time during the license period. The anticipated maximum quantity of inventory must be determined subject to the approval of the department, on the basis of past experience and any reasonably expected changes in the market during the license period.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.60.011](#)

[AS 43.60.040](#)

15 AAC 60.090. Revocation of warehouse license

(a) If the department intends to revoke a license to operate a licensed warehouse issued under 15 AAC [60](#), the department will give the licensee 30 days' notice of the intended revocation. If the basis for revocation still exists on the 30th day, the department will notify the licensee of immediate revocation, unless an appeal under (d) of this section has been timely filed by the licensee. Upon revocation of the license, the tax on the quantity of alcoholic beverages which is stored in the warehouse is due and payable as provided in 15 AAC [60.100](#).

(b) The basis for revocation of a warehouse license may include any of the following circumstances:

(1) notice of bond cancellation is received by the department;

(2) the amount of alcoholic beverage excise tax on the inventory in the warehouse exceeds the bond amount by more than 10 percent;

(3) a discrepancy exists between the licensee's records or returns to be filed with the department and the physical inventory in a licensed warehouse which is not accounted for on a timely basis;

(4) the licensee fails to pay any alcoholic beverage excise taxes which are not collected, for any reason, from the owners of those alcoholic beverages;

(5) a renewal application is not filed timely; or

(6) the license holder fails to meet any of the conditions specified or required by [AS 43.60](#), 15 AAC [60](#) or by the license itself.

(c) When a license to operate a warehouse is revoked under this section, the licensee may not apply for a new license until 60 days after the date of revocation. The date of revocation is the date on which the notice of immediate revocation is issued. If a formal hearing has been requested, the date of revocation is the date of the hearing decision.

(d) If a person is aggrieved by a notice of intended revocation, that person may appeal to the department for a formal hearing, under [AS 43.05.240](#) and 15 AAC [05.001](#) - 15 AAC [05.050](#). The appeal must be submitted to the department in person or by mail within 10 days of the date of mailing the notice of intended revocation by the department.

(e) Upon receipt of a timely appeal under (d) of this section, the department will schedule a formal hearing to be held within 10 working days of the receipt of the appeal form. If the department determines that a correction is warranted, the department shall make the correction. A written decision concerning the appeal will be issued within 10 working days after the formal hearing has been conducted.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.05.240](#)

[AS 43.60.011](#)

15 AAC 60.100. Taxes due when warehouse license expired or revoked

An alcoholic beverage is considered removed from a licensed warehouse on the last day the licensee held a valid current license. An alcoholic beverage is subject to the alcoholic beverage excise tax for the month in which that date falls. The return and tax remittance will be due by the last day of the month following the month during which the license was revoked.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.60.010](#)

[AS 43.60.011](#)

15 AAC 60.110. Transition

(a) On August 31, 1982, any inventory of alcoholic beverages located in the state, upon which the tax imposed by [AS 43.60](#) has not been paid, will be considered alcoholic beverages shipped into the state on that date and must be included in the owner's August, 1982 monthly alcoholic beverage excise tax return, to be filed on or before September 30, 1982. The owner shall pay all taxes on the alcoholic beverages at that time unless the alcoholic beverages are in a warehouse for which the department has received an application for a license under 15 AAC [60](#) and the department has not denied that application.

(b) If any of the untaxed alcoholic beverages referred to in (a) of this section are stored in a warehouse for which the department has received an application for a license under 15 AAC [60.060](#) and the license is issued by September 30, 1982, the alcoholic beverages will not be taxed until removed from the licensed warehouse under the provisions of this chapter. All other alcoholic beverages will be taxable immediately on September 30.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.080](#)

[AS 43.60.010](#)

[AS 43.60.011](#)

[AS 43.60.020](#)

15 AAC 60.120. Penalty

If, after August 31, 1982, a person owns, consigns, stores or allows the storage of alcoholic beverages except in a licensed warehouse, upon which the tax imposed by [AS 43.60](#) has not been paid, that person is liable for the tax and is presumed to have committed fraud. In addition to the tax, a penalty will be imposed under [AS 43.05.220](#) (c).

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.010](#)

[AS 43.05.080](#)

[AS 43.05.220](#)

[AS 43.60.010](#)

15 AAC 60.300. Quantity definition

In this chapter, "quantity" means the total liquid content expressed in U.S. gallons. All volume and quantity figures in returns and reports required by [AS 43.60](#) and 15 AAC [60](#) must be expressed in U.S. gallons, not in pallets, cases, bottles, cans, or metric units unless expressly authorized by the form provided by the department. For purposes of conversion, one U.S. gallon equals 3.785 liters.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.010](#)

[AS 43.05.080](#)

[AS 43.60.010](#)

[AS 43.60.011](#)

[AS 43.60.020](#)

[AS 43.60.040](#)

15 AAC 60.310. General definitions

In this chapter,

- (1) "department" means the Department of Revenue;
- (2) "licensee" means a person who has been authorized by the department, under 15 AAC [60](#), to operate a licensed warehouse;
- (3) "alcoholic beverage" means all beverages described in [AS 43.60.010](#) (a);
- (4) "real property on which the alcoholic beverage excise taxes may become a first lien" means property not encumbered by indebtedness nor pledged as security or collateral, or identified as lienable property for any other purpose.

History: Eff. 8/7/82, Register 83

Authority: [AS 43.05.010](#)

[AS 43.05.080](#)

[AS 43.60.010](#)

[AS 43.60.011](#)

[AS 43.60.020](#)

[AS 43.60.040](#)